

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

February 10, 1997 LB 344

this Legislature passed two years ago, LB 830. LB 830 was known as the Nebraska Redevelopment Act, I believe was the terminology used. Recall in those days we were in the midst of being considered by a fairly large processing chip corporation for expanding into Nebraska. We passed a package of bills enhancing our economic development incentives. Those bills were: LB 828, which allowed packaging for utility rates; LB 829, which allowed the use of income tax dollars that had been withheld from employees paychecks to be applied for job training and other employee benefit packages, and; LB 830, which is the bill that would be under consideration here, and that was a measure which would have allowed the use of tax increment financing in a broader sense than had been used in the past to do such things as land acquisition and site improvements for major projects. The reason for bringing LB 344 to you is that we have now seen one cycle of LB 830 working with a project in the Omaha area, and I think as we watch that process unfold, we've seen some potential problems with it. We're trying to in this case, I guess, close the barn door before the horse gets out. LB 830 allowed a city to make an application to the State Redevelopment Board, consisting of the Governor, the Treasurer, and the chair of the Investment Board, to have an area of the community, or actually an area in a number of different communities, declared blighted and substandard. It had to be...the intent of the Legislature, I think, was that it had to be associated with a specific project. We saw this go into effect last fall when the city of Omaha made application to have an area of the city declared blighted and substandard in order to accommodate the plan development of the First Data Resources campus at Pacific Street, where the Ak-Sar-Ben racetrack had been. The problem that we saw was when the city of Omaha came in with an area that they chose to develop to declare blighted and substandard being roughly half the city of Omaha. Under the existing statute, a city, not just Omaha, but any city would be able to do that, accommodate the project that they were using to leverage this change, and then for a period of 18 months would be able to approve any other projects without ever coming back to the State Redevelopment Board. I thought that was a problem. I thought that was counter to what was the original intent of passing LB 830, because those of us that supported that said, this is to accommodate specific projects. So we are proposing that LB 344 be changed to, I believe, return...that LB 830 be changed